

REMARKS/ARGUMENTS

The claims have been amended to more clearly distinguish the cited references (US 6,580,834 to Li et al., and US 6,771,703 to Oguz et al).

“For a prior art reference to anticipate in terms of 35 U.S.C. § 102, every element of the claimed invention must be identically shown in a single reference.” Diversitech Corp. v. Century Steps, Inc., 7 U.S.P.Q.2d 1315, 1317 (Fed. Cir. 1988), quoted in In re Bond, 15 U.S.P.Q.2d 1566, 1567 (Fed. Cir. 1990) (vacating and remanding Board holding of anticipation; the elements must be arranged in the reference as in the claim under review, although this is not an *ipsis verbis* test).

With respect to the rejection of claims 1-3 and 11-13 as being anticipated by US 6,580,834 to Li et al., the amended claims distinguish Li et al. for the following reasons.

The applicants' claims 1 and 11 as amended recite “quantizing transform coefficients in the respective sets of transform coefficients to produce respective sets of non-zero quantization indices for the blocks of pixels, wherein non-zero quantization indices for at least some of the blocks are produced by using a quantization step size that is not uniform within said at least some of the blocks.” With respect to quantizing, the Official Action refers to Li et al., col. 9, lines 34-37, which say: “After zigzag ordering (block 1108) the coefficients are scaler quantized (block 1110), which routinely involves dividing by a number and rounding.” It is not seen how this discloses a quantization step size that is not uniform within said at least some of the blocks.

The applicants' claims 1 and 11 as amended recite: “inspecting magnitudes of the non-zero quantization indices for selecting a limited number of largest magnitude non-zero quantization indices for the blocks of pixels in the respective sets of quantization indices to

produce respective sets of selected quantization indices having non-zero levels for the blocks of pixels; ...” With respect to selecting largest magnitude quantization indices, the Official Action refers to Li et al., Fig. 11, 1113, col. 9 lines 37-42, and col. 13 lines 31-44. This relates to finding the absolute value of the largest DCT coefficient, in order to perform the next step of determining the number of bits needed to represent this largest value. Claims 1 and 11 have been amended to clearly distinguish the process of finding the largest magnitude coefficient in Li by pointing out that in the applicants’ invention, inspection of the magnitudes of the non-zero quantization indices is done for selecting a limited number of largest magnitude non-zero quantization indices from the respective sets of non-zero quantization indices in order to produce respective sets of selected quantization indices which are (run, level) encoded to produce the (run, level) encoded picture. In contrast, in Li, it appears that only the largest magnitude DCT coefficient is found, and all of the non-zero DCT coefficients are encoded.

On page 3 of the Official Action, claims 1-20 were rejected under 35 U.S.C. 102(e) as being anticipated by US 6,771,703 to Oguz et al. In reply, claims 7 and 17 have been amended to specify that “the non-zero AC discrete cosine transform (DCT) indices for at least some of the 8x8 blocks of the non-scalable MPEG-2 coded video having been produced by using a quantization step size that is not uniform within said at least some of the blocks,” Similar language is found in the other independent claims (1 and 11). In this case, the values of the quantization indices are clearly different from the values of the DCT coefficients. Therefore, Oguz et al. US 6,771,703 is distinguished from the present invention as described in the applicants’ specification on page 87 to page 91. Oguz et al. US 6,771,703 describes

transforming quantization indices to quantized coefficient values (step 263), and inspecting the quantized coefficient values for removing smallest magnitude AC DCT coefficients, and retaining largest magnitude AC DCT coefficients. In contrast, the applicants' invention involves inspecting the quantization indices for removing smallest magnitude AC DCT quantization indices, and retaining largest magnitude AC DCT quantization indices. The applicants' invention also produces an unexpected and substantially different result, as described in the applicants' specification on page 89 lines 1 to 11; for example, producing the improved results shown in applicants' FIG. 31 and described in the applicants' specification on page 91, lines 11-16.

In view of the above, reconsideration is respectfully requested, and early allowance is earnestly solicited.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Richard C. Auchterlonie", written in a cursive style.

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